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October 16, 2015

Via CFTC Portal Submissions

Mr. Christopher Kirkpatrick
Secretary of the Commission
Office of the Secretariat
Commodity Futures Trading Commission
3 Lafayette Centre
1155 21st Street, N.W.
Washington D.C. 20581

RE: Rule Certification: Nadex Adds Japan 225 20-Minute Intraday Binary Contracts, Decreases the Number of Daily Gold Binary Strikes Listed, Corrects the Number of Strikes Listed for the Daily Japan 225 Binary Contracts, and Decreases the Strike Width for all Daily and Intraday Gold Strikes, and all Weekly, Daily, and Intraday Silver Strikes – Submission Pursuant to Commission Regulation §40.6(a)

Dear Mr. Kirkpatrick:

Pursuant to Section 5c(c)(1) of the Commodity Exchange Act, as amended (the “Act”), and §40.6(a) of the regulations promulgated by the Commodity Futures Trading Commission (the “Commission”) under the Act, North American Derivatives Exchange, Inc. (“Nadex”) hereby submits to the Commission its intent to add new Intraday 20-Minute Binary contracts to its current listing of Japan 225 contracts. Nadex plans to implement the additions for the open of business on trade date November 2, 2015.

Nadex is adding new Intraday Binary Contracts of 20 minute duration to its overnight Japan 225 listing to better align its product offerings with the interests of the market participants. In October of 2014, Nadex launched its first 20-Minute Binary contracts in its US Indices products, which were well received by market participants. Based upon the success of the Intraday 20-Minute Binary contracts in the US Indices, as well as observations of volume in the current Weekly, Daily, and Intraday Japan 225 contracts, it appears market participants are most interested in contracts with a shorter duration, with the highest trading activity occurring at the beginning of the contract and as the contract approaches expiration. Nadex projects that providing its participants with contracts of a shorter duration, effectively removing the block of

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No. 20151016(1)

time with decreased activity, will result in a contract that is actively traded throughout its life. Furthermore, adding the new 20-Minute contracts to the Japan 225 listing will provide participants with a wider range of trading opportunities in the overnight hours. Additionally, offering a 20 minute duration Binary Contract will enable the strike levels of the contracts to be more tightly aligned with the expected price range in the underlying leading to expiration.

Nadex is also amending the number of strike levels listed for the Daily Japan 225 Binary contracts identified in the Rules to reflect the correct listing amount.

Finally, Nadex plans to change the number of contracts listed for the Daily Gold Binary contracts from 23 to 21, and to decrease the strike width for all Daily and Intraday Gold Binary contracts, and all Weekly, Daily, and Intraday Silver contracts. Nadex is making these amendments to afford market participants greater trading opportunities in these contracts, as movement in the underlying markets would reflect more significant changes in the Nadex contracts.

Intraday 20-Minute Binary Contracts DCM Core Principles

Nadex has identified the following Designated Contract Market (“DCM”) Core Principles as potentially being impacted by the addition of Intraday 20-Minute Binary Contracts: Core Principle 2 Compliance with Rules (Regulation Subparts 38.156 Automated trade surveillance system, and 38.157 Real-time market monitoring); Core Principle 3 Contracts Not Readily Subject to Manipulation (Regulation Subparts 38.200 Core Principle 3 and 38.201 Additional sources for compliance); Core Principle 4 Prevention of Market Disruption (Regulation Subparts 38.250 Core Principle 4, 38.251 General requirements, 38.253 Additional requirements for cash-settled contracts, and 38.256 Trade reconstruction); Core Principle 7 Availability of General Information (Regulation Subparts 38.400 Core Principle 7 and 38.401 General requirements); and Core Principle 8 Daily Publication of Trading Information (Regulation Subparts 38.450 Core Principle 8 and 38.451 Reporting of trade information).

Commission Regulations Subparts 38.156 and 38.157, which implement Core Principle 2, require the DCM to maintain an automated trade surveillance system capable of detecting and investigating potential trade practice violations, and to conduct real-time market monitoring of all trading activity. Nadex uses the automated SMARTS[®] surveillance system to aid in the ongoing monitoring of all trading activity, and has the capability of detecting potential trade practice violations based on the parameters set by the DCM. This surveillance system monitors all trading activity on the Exchange in real-time, day or night, and will continue to monitor activity in the Intraday 20-Minute Binary Contracts in the same manner. The Nadex surveillance system and its staff currently monitor all trading activity, and this will not change with the

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addition of Intraday 20-Minute Binary Contracts. Therefore, the addition of Intraday 20-Minute Binary Contracts will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principles 3 and 4 require the DCM to list only contracts that are not readily susceptible to manipulation and to prevent market disruption. Nadex is currently listing Weekly, Daily, and Intraday 2-hour Binary Contracts in the Japan 225, which are based on underlying markets that are highly liquid and are traded in real-time, thereby eliminating the possibility of an early release of an underlying trade price. The same underlying markets will continue to be used for the Intraday 20-Minute Binary Contracts. Furthermore, Nadex is already calculating an expiration value on the hour based on the relevant underlying markets for its Intraday 2-Hour Binary Contracts, which will coincide with the Intraday 20-Minute Binary Contracts that expire on the hour.

Additionally, the Expiration Value calculation method of removing the top five and lowest five underlying trade prices from the last 25 trades prior to expiration and averaging the remaining 15 further mitigates the possibility of manipulation. Nadex has designated a market maker who is obligated to provide liquidity in these contracts, limiting opportunities for the market to be manipulated. As previously stated, Nadex also uses the SMARTS surveillance system to assist with market monitoring and has a staff dedicated to market surveillance. None of the methods used to prevent potential contract manipulation or market disruption will need to change with the addition of Intraday 20-Minute Binary Contracts in order to effectively monitor these contracts.

Regulation 38.253 (Core Principle 4: additional requirements for cash-settled contracts) requires the DCM to have rules in place that allow the DCM access to information about the activities of its traders in a reference market if the contracts listed on the DCM are settled by reference to the price of a contract in another venue. Nadex Japan 225 Binary Contracts are currently, and will continue, to be settled based on data from the relevant underlying markets upon which those contracts are based, which are in venues other than Nadex. Nadex Rule 3.3(a) specifically requires each Member and Authorized Trader to cooperate in "providing Nadex with access to information on the activities of such Member and/or Authorized Trader in any referenced market that provides the underlying prices for any Nadex market".

Regulation 38.256 (Core Principle 4: trade reconstruction) requires the DCM to have the ability to comprehensively and accurately reconstruct all trading on its trading facility. Nadex is currently able to reconstruct trading in its Contracts based on the data stored in the database, the Nadex SMARTS surveillance system, as well as the Exchange log files. Trade data will continue to be stored in this same manner following the addition of the Intraday 20-Minute Binary Contracts. Therefore, the addition of these contracts will not negatively impact Nadex's ability to comply with these Core Principles.

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Core Principles 7 (Availability of General Information) and 8 (Daily Publication of Trading Information), implemented by Regulations Subsections 38.400, 38.401, 38.450, and 38.451, require the DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. Nadex makes the Exchange Rulebook available on its website, as well as the Daily Bulletin which contains the preceding required information. The Results page on the website also publishes the Expiration Value and Settlement Value for all Nadex contracts settled during that week. Contract specifications for the Intraday 20-Minute Binary Contracts will continue to be set forth in the Rulebook and likewise on the Nadex website. Daily settlement prices, volume, open interest, and opening and closing ranges for the new contracts will be included on the Daily Bulletin and posted on the Nadex website. Therefore, the addition of Intraday 20-Minute Binary Contracts will not negatively impact Nadex's ability to comply with these Core Principles.

Intraday 20-Minute Binary Contracts DCO Core Principles

Nadex has identified the following Derivatives Clearing Organization ("DCO") Core Principles as potentially being impacted by these amendments: C Participant and Product Eligibility, E Settlement Procedures, L Public Information.

Core Principle C, implemented by Regulation 39.12, requires the DCO to determine the eligibility of contracts for clearing. Nadex has determined the Intraday 20-Minute Binary Contracts will be eligible for clearing as the contracts will continue to be listed based upon the same liquid underlying markets as the current Japan 225 contracts. Additionally, an expiration value is already being calculated for the Intraday 2-Hour Binary contracts at the same expiration times for those Intraday 20-Minute Binary contracts that would expire on the hour. Finally, all trading in these contracts, like all Nadex contracts, is conducted on a fully-collateralized basis, thereby mitigating any credit risk of a particular member to Nadex or other market participant.

Core Principle E, implemented by Regulation 39.14, requires the DCO to effect a settlement with each member at least once each business day. Nadex's Intraday 20-Minute Binary Contracts will continue to settle in a timely manner shortly after the contract's expiration. Also in accordance with this Core Principle, Nadex will continue to maintain an accurate record of the flow of funds associated with each settlement of its Intraday 20-Minute Binary Contracts. Therefore, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

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Core Principle L, implemented by Regulation 39.21, requires the DCO to make available to the public the terms and conditions of each contract, as well as the daily settlement prices, volume, and open interest of the contract. As stated previously, the Rulebook contains the contract specifications for all contracts listed on the Exchange, and is made available to the public on the Nadex website. All settlement values are listed on the Nadex website on the 'Results Page', as well as the Daily Bulletin which also shows volume and open interest. Therefore, the amendments discussed herein will not negatively impact Nadex's ability to comply with this Core Principle.

Correction to Number of Strikes Listed for Daily Japan 225 Binary Contracts DCM and DCO Core Principles

Nadex has identified the following DCM Core Principle as potentially being impacted by the correction made to the number of strikes listed for the Daily Japan 225 Binary contracts: Core Principle 7 Availability of General Information (Regulation Subparts 38.400 Core Principle 7 and 38.401 General requirements). Nadex has identified the following DCO Core Principle as potentially being impacted by the correction made to the number of strikes listed for the Daily Japan 225 Binary contracts: L Public Information.

DCM Core Principle 7 and DCO Core Principle L require the DCM and DCO to make available to the public accurate information regarding the terms and conditions of each contract. The Nadex Rulebook contains the specifications for all contracts listed on the Exchange, and will continue to be available on the website after the correction is made. The Nadex website also makes the number of listed strikes publicly available, and is currently reflecting the correct number of listed strikes. Therefore, the correction to the Rulebook will not have a negative impact Nadex's ability to comply with these Principles.

Amendments to Gold and Silver Binary Contracts DCM Core Principles

Nadex has identified the following DCM Core Principles as potentially being impacted by the amendments to the Gold and Silver Binary contracts: Core Principle 2 Compliance with Rules (Regulation Subparts 38.156 Automated Trade Surveillance System, 38.157 Real-time Market Monitoring); Core Principle 4 Prevention of Market Disruption; Core Principle 7 Availability of General Information; and Core Principle 8 Daily Publication of Trading Information.

Core Principle 2 Compliance with Rules, implemented by regulations 38.156 (Automated Trade Surveillance) and 38.157 (Real-time Market Monitoring), require the DCM to maintain an automated trade surveillance system capable of detecting and investigating potential trade practice violations, and to conduct real-time market monitoring of all trading activity. Nadex

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uses the automated SMARTS® surveillance system to aid in the ongoing monitoring of all trading activity, and has the capability of detecting potential trade practice violations based on the parameters set by the DCM. This surveillance system monitors activity in real-time and as with all contracts, day or night, the system will continue to monitor the additional currency strikes. Additionally, Nadex staff monitors trading activity, and has access to technical support from parent offices in the United Kingdom and Australia in addition to hot-line support by Nadex IT staff. Therefore, the narrowing strike widths and decrease in Daily Gold strikes will not negatively impact Nadex's ability to comply with this Core Principle.

Core Principles 7 (Availability of General Information) and 8 (Daily Publication of Trading Information), implemented by Regulations Subsections 38.400, 38.401, 38.450, and 38.451, require the DCM to make available to the public accurate information regarding the contract terms and conditions, as well as daily information on contracts such as settlement price, volume, open interest, and opening and closing ranges. Nadex makes available on its website the Exchange Rulebook, as well as the Daily Bulletin which contains the preceding information. The Results page on the website also publishes the Expiration Value and Settlement Value for all Nadex contracts settled during that week. Contract specifications in the Nadex Rulebook will be amended to reflect the amendments to the Gold and Silver Binary contracts and will be made available on the Nadex website. Daily settlement prices, volume, open interest, and opening and closing ranges for the new strike levels will be included on the Daily Bulletin and posted on the Nadex website. Therefore, the amendments to the Gold and Silver Binary contracts will not negatively impact Nadex's ability to comply with this Core Principle.

Amendments to Gold and Silver Binary Contracts DCO Core Principles

Nadex has identified the following DCO Core Principles as potentially being impacted by the amendments to the Gold and Silver Binary contracts discussed herein: Core Principle L (Public Information).

Core Principle L (Public Information), implemented by regulation 39.21, requires the DCO to make available to the public the terms and conditions of each contract, as well as the daily settlement prices, volume, and open interest of the contract. As stated previously, the Rulebook, which contains the terms and conditions for each contract, is made available to the public on the Nadex website. Therefore, the narrowing of the Gold and Silver strike widths and

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decrease in listed Daily Gold Binary contracts will not negatively impact Nadex's ability to comply with this Core Principle.

Pursuant to the 10-day filing period under Regulation 40.6(a)(3), amendments to the Nadex Intraday Contracts would become effective November 2, 2015.

Rule amendments and additions have been outlined in Exhibit A. The amendments to the Rulebook are set forth in Exhibit B. Any deletions to the Rulebook have been stricken out while the amendments and/or additions have been underlined.

No substantive opposing views were expressed to Nadex with respect to these amendments.

Nadex hereby certifies that the amendments contained herein comply with the Act, as amended, and the Commission Regulations adopted thereunder.

Nadex certifies that a copy of these amendments was posted on its website at the time of this filing.

Should you have any questions regarding the above, please do not hesitate to contact me by telephone at (312) 884-0927 or by email at Jaime.walsh@nadex.com.

Sincerely,



Jaime Walsh
Legal Counsel

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EXHIBIT A

Rule	Asset	Duration/ Close Time	Action	Effective Date
12.5	Gold Binary Contracts	Daily 1:30PM expiration; Intraday 10:00AM, 11:00AM, 12:00PM, and 1:00PM ET expirations	Decrease number of Daily strikes listed, decrease strike width for all Daily and Intraday contracts	11/2/2015
12.7	Silver Binary Contracts	Weekly and Daily 1:25PM expirations; Intraday 10:00AM, 11:00AM, 12:00PM, and 1:00PM ET expirations	Decrease strike width for all Weekly, Daily, and Intraday contracts	11/2/2015
12.55	Japan 225 Binary Contracts	Intraday 20-Minute Binary Contracts	Add new 20-Minute contracts with expirations every 20 minutes beginning at 7:20PM and ending at 1:20AM ET; Corrects Number of Daily Binary contracts listed	11/2/2015

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EXHIBIT B

Amendment of Rules 12.5, 12.7, and 12.55

(The following Rule amendments are underlined and deletions are stricken out)

RULES 1.1 – 12.4 [UNCHANGED]

RULE 12.5 GOLD BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Gold Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, per troy ounce (in US dollars), of Gold obtained from the Gold Futures Contracts (“GFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX®”)¹. The GFC trade prices that will be used for the Underlying will be taken from the February, April, June, August, or December GFC delivery months (each a “GFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration Date. For example, the Comex Gold April 2014 futures have an Expiration Date of April 28, 2014. The last day on which the Gold April 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Gold contracts will be the third to last business day of the preceding month, March. Therefore, the End Date for using Comex Gold April 2014 futures will be March 27, 2014 and the Start Date for the next delivery month, Comex Gold June 2014 futures, will be March 28, 2014.²

(c) SOURCE AGENCY – The Source Agency is Nadex.

¹ *Supra*, at fn 4.

² Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for which Nadex will use the Comex Gold April 2014 Underlying futures to determine the settlement value is March 27, 2014. March 27, 2014 is a Thursday, however, and any Nadex weekly contracts listed for this roll week and expiring on Friday, March 28, 2014, will be listed using the Comex Gold June 2014 futures as its Underlying, as June is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Comex Gold June 2014 futures will be Monday, March 24, 2014 for any Nadex weekly contracts listed on this date.

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(d) TYPE – The Type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Gold Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY GOLD BINARY CONTRACTS

(1) EXPIRATION TIME – 1:30PM ET CLOSE

(1) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 10.0.

(2) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Gold Binary Contract Series.

(3) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.5 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of 10.0, and six (6) strike levels will be generated below Binary Contract W at an interval of 10.0 (e.g. W – 10.0; W; W + 10.0). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY GOLD BINARY CONTRACTS

(1) EXPIRATION TIME – 1:30PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~3.0~~1.5.

(3) NUMBER OF STRIKE LEVELS LISTED – Twenty~~-three~~one (~~23~~21) strike levels will be listed for each Daily Gold Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest

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value ending in 1.0 as reported by the Source Agency. ~~Eleven~~Ten (~~11~~10) strike levels will be generated above Binary Contract Y at an interval of ~~3.01.5~~, and ~~eleven~~ten (~~11~~10) strike levels will be generated below Binary Contract Y at an interval of ~~3.01.5~~ (e.g. $Y - 3.01.5$; Y ; $Y + 3.01.5$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY GOLD BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~1.51~~.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Gold Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.1 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of ~~1.51~~, and four (4) strike levels will be generated below Binary Contract Z at an interval of ~~1.51~~ (e.g. $Z - 1.51$; Z ; $Z + 1.51$). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) Nadex may list additional Gold Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for Gold Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the \$100 Gold Binary Contracts shall be 1,750 contracts.

(i) POSITION LIMIT – The Position Limits for the \$100 Gold Binary Contracts shall be 2,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date. No trading in the Gold Binary Contracts shall occur after its Last Trading Date.

(k) SETTLEMENT DATE – The Settlement Date of the Contract shall be the same date as the Expiration Date.

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(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Gold Expiration Value is to be released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money Gold Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Gold released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) GFC trade prices just prior to the close of trading of the Gold Binary Contract and removing the highest five (5) GFC trade prices and the lowest five (5) GFC trade prices, using the remaining fifteen (15) GFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) GFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series. If there are less than 250 GFC trade prices available during a single trading day prior to the issuance of a new Gold Contract Nadex may switch to the next available GFC Delivery Month that provides at least 250 GFC trade prices.

RULE 12.6 [UNCHANGED]

RULE 12.7 SILVER BINARY CONTRACTS

(a) SCOPE –These Rules shall apply to the Class of Contracts referred to as the Silver Binary Contract issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price, cents per troy ounce (in US Currency), of Silver obtained from the Silver Futures Contracts (“SFC”) traded on the COMEX Division of the New York Mercantile Exchange (“NYMEX”⁸). The SFC trade prices that will be used to for the Underlying will be taken from the March, May, July, September, or December SFC delivery months (each a “SFC Delivery Month”). The Start and End Date for which Nadex will use a specific delivery month as the Underlying will be set based on the Settlement date of the Underlying futures contract. The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the third to last business day of the month preceding the month of the Underlying futures contracts Expiration

⁸ *Supra, at fn 4.*

Date. For example, the Comex Silver March 2014 futures have an Expiration Date of March 27, 2014. The last day on which the Silver March 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Silver contracts will be the third to last business day of the preceding month, February. Therefore, the End Date for using Comex Silver March 2014 futures will be February 26, 2014 and the Start Date for the next delivery month, Comex Silver May 2014 futures, will be February 27, 2014.⁴

(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Silver Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY SILVER BINARY CONTRACTS

(1) EXPIRATION TIME – 1:25PM ET CLOSE

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.500~~0.25.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Silver Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “W” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in either 0.25 or 0.75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract W at an interval of

⁴ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for which Nadex will use the Comex Silver March 2014 Underlying futures to determine the settlement value is February 26, 2014. February 26, 2014 is a Wednesday, however, and any Nadex weekly contracts listed for this roll week and expiring on Friday, February 28, 2014, will be listed using the Comex Silver May 2014 futures as its Underlying, as May is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the Comex Silver May 2014 futures will be Monday, February 24, 2014 for any Nadex weekly contracts listed on this date.

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~~0.500.25~~, and six (6) strike levels will be generated below Binary Contract W at an interval of ~~0.500.25~~ (e.g. $W - 0.500.25$; W ; $W + 0.500.25$). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY SILVER BINARY CONTRACTS

- (1) EXPIRATION TIME – 1:25PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.200.05~~.
- (3) NUMBER OF STRIKE LEVELS LISTED – Fifteen (15) strike levels will be listed for each Daily Silver Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Y” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.1 as reported by the Source Agency. Seven (7) strike levels will be generated above Binary Contract Y at an interval of ~~0.200.05~~, and seven (7) strike levels will be generated below Binary Contract Y at an interval of ~~0.200.05~~ (e.g. $Y - 0.200.05$; Y ; $Y + 0.200.05$). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY SILVER BINARY CONTRACTS

- (1) EXPIRATION TIME – 10:00AM, 11:00AM, 12:00PM, 1:00PM ET CLOSE
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be ~~0.050.03~~.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Gold Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 0.01 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract Z at an interval of ~~0.050.03~~, and four (4) strike levels will be generated below Binary Contract Z at an interval of ~~0.050.03~~ (e.g. $Z - 0.050.03$; Z ; $Z + 0.050.03$). The Contract will have a Payout Criterion of greater than the strike level value.

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(iv) Nadex may list additional Silver Binary Contract with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for Silver Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Silver Binary Contract shall be 1,400 contracts.

(i) POSITION LIMIT – The Position Limits for Silver Binary Contracts shall be 2,000 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date will be the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Silver price is released by the Source Agency.

(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in the money Contract on Settlement Date. The Settlement Value of an in the money Silver Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Silver on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) SFC trade prices just prior to the close of trading of the Silver Binary Contract and removing the highest five (5) SFC trade prices and the lowest five (5) SFC trade prices, using the remaining fifteen (15) SFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) SFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no level is actually announced on the Expiration Date due to a delay, postponement or otherwise in such release announcement by the Source Agency, the Settlement Date will be delayed until the Underlying number is released for that Series. If there are less than 250 SFC trade prices available during a single trading day prior to the issuance of a new Silver Contract Nadex may switch to the next available SFC Delivery Month that provides at least 250 SFC trade prices.

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RULES 12.8 - 12.54 [UNCHANGED]

RULE 12.55 JAPAN 225 BINARY CONTRACTS

(a) SCOPE – These Rules shall apply to the Class of Contracts referred to as the Japan 225 Binary Contracts issued by Nadex.

(b) UNDERLYING – The Underlying for this Class of Contracts is the price of the SGX[®] Nikkei 225 Futures contracts (“NKFC”) traded on the Singapore Exchange (SGX)⁵. The NKFC trade prices that will be used to calculate the Underlying will be taken from four (4) NKFC delivery months: March, June, September, or December (each a “NKFC Delivery Month”). The date on which a new delivery month will be used as the Underlying for Nadex contracts (i.e. “Start Date”) is one calendar day after the End Date for the previous delivery month contract. The last day on which a delivery month will be used as the Underlying for Nadex contracts (i.e. “End Date”) is the Monday of the week of the Underlying futures contracts Expiration Date. For example, the SGX Nikkei 225 December 2014 futures have an Expiration Date of December 11, 2014. The last day on which the Nikkei 225 December 2014 futures prices will be used as the Underlying for Nadex contracts and to calculate the Expiration Value on the Expiration Date for the relevant Nikkei 225 contracts will be the Monday of the week of the SGX Nikkei 225 December 2014 futures contracts Expiration Date (i.e. December 11, 2014). Therefore, the End Date for using SGX Nikkei 225 December 2014 futures will be December 8, 2014 and the Start Date for the next delivery month, SGX Nikkei 225 March 2015 futures, will be December 9, 2014⁶.

⁵ SGX[®] is a registered service mark of the Singapore Exchange Limited (“SGX”). Nikkei is a registered mark of Nikkei, Inc. All rights in the Trademarks and Futures Trading Data of SGX vest in Singapore Exchange Limited (“SGX”). The Japan 225 Binary Contract is not sponsored, endorsed, sold or promoted by SGX. SGX makes no representation or warranty, express or implied to the investors in the Japan 225 Binary Contract or any member of the public in any manner whatsoever regarding the advisability of investing in any financial product generally or in particularly the Japan 225 Binary Contract. The relationship of SGX towards Nadex is in respect of licensing the use of the SGX Nikkei 225 Index Futures Trading Data. SGX has no obligation to take the needs of the investors of the Japan 225 Binary Contract into consideration in determining, composing or calculating the SGX Nikkei 225 Index Futures Trading Data. SGX is neither responsible for nor has participated in the structure of the Japan 225 Binary Contract. SGX has no obligation or liability in connection with the administration, marketing or trading of the Japan 225 Binary Contract. You are strongly advised to independently verify the accuracy, timeliness and reliability of the Japan 225 Binary Contract and to consult with your investment advisor before investing. Nadex is not affiliated with Nikkei, Inc. and neither Nikkei, Inc., nor its affiliates, sponsor or endorse Nadex or its products in any way. In particular, the Nadex Japan 225 Contracts are not sponsored, endorsed, sold or promoted by Nikkei, Inc.

⁶ Weekly contracts listed on a Monday during a week containing an Underlying futures rollover date will be listed using the Underlying futures month scheduled to be used to determine the settlement value on the day the contract expires. For example, the End Date for the SGX Nikkei 225 December 2014 Underlying futures is December 11, 2014. December 11, 2014 is a Thursday, however, and any Nadex weekly contracts listed during this week and

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(c) SOURCE AGENCY – The Source Agency is Nadex.

(d) TYPE – The Type of Contract is a Binary Contract.

(e) ISSUANCE – For each planned release by the Source Agency of the Underlying, Nadex will issue various Contracts, each of a different Series. A new issuance of Contracts will commence no later than two (2) business days following the Expiration Date.

(f) PAYOUT CRITERION – The Payout Criterion for each Contract will be set by Nadex at the time the Binary Contracts are initially issued. For the Japan 225 Binary Contract, the Payout Criteria for the Contracts will be set as follows:

(i) WEEKLY JAPAN 225 BINARY CONTRACTS

(1) EXPIRATION TIME – 1:25 AM ET CLOSE⁷

(2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 100.

(3) NUMBER OF STRIKE LEVELS LISTED - Thirteen (13) strike levels will be listed for each Weekly Japan 225 Binary Contract Series.

(4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “XW” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 25 or 75 as reported by the Source Agency. Six (6) strike levels will be generated above Binary Contract XW at an interval of 100, and six (6) strike levels will be generated below Binary Contract X at an interval of 100 (e.g. XW – 100; XW; XW + 100). The Contract will have a Payout Criterion of greater than the strike level value.

(ii) DAILY JAPAN 225 BINARY CONTRACTS

(1) EXPIRATION TIME – 1:25 AM ET CLOSE⁸

expiring on Friday, December 12, 2014, will be listed using the SGX Nikkei March 2015 futures as its Underlying, as March is the futures month scheduled to be used to determine the Settlement Value of the Nadex weekly contract on its expiration date. Therefore, the Start Date for the SGX Nikkei March 2015 futures will be Monday, December 8, 2014 for any Nadex weekly contracts listed on this date.

⁷ During the period when the US observes daylight savings time, Weekly Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

⁸ During the period when the US observes daylight savings time, Daily Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

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- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 40.
- (3) NUMBER OF STRIKE LEVELS LISTED – ~~Twenty one (21)~~ Fifteen (15) strike levels will be listed for each Daily Japan 225 Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “YX” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 10 as reported by the Source Agency. ~~Ten (10)~~ Seven (7) strike levels will be generated above Binary Contract YX at an interval of 40, and ~~ten (10)~~ Seven (7) strike levels will be generated below Binary Contract YX at an interval of 40 (e.g. YX – 40; YX; YX + 40). The Contract will have a Payout Criterion of greater than the strike level value.

(iii) INTRADAY JAPAN 225 BINARY CONTRACTS

- (1) EXPIRATION TIME – 9 PM, 10 PM, 11 PM, 12 AM, 1 AM ET CLOSE⁹
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 40.
- (4) NUMBER OF STRIKE LEVELS LISTED – Nine (9) strike levels will be listed for each Intraday Japan 225 Binary Contract Series.
- (5) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “ZY” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 10 as reported by the Source Agency. Four (4) strike levels will be generated above Binary Contract ZY at an interval of 40, and four (4) strike levels will be generated below Binary Contract ZY at an interval of 40 (e.g. ZY– 40; ZY ; Z + ZY). The Contract will have a Payout Criterion of greater than the strike level value.

(iv) INTRADAY JAPAN 225 20-MINUTE BINARY CONTRACTS

⁹ During the period when the US observes daylight savings time, Intraday Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

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- (1) EXPIRATION TIME – 7:20PM, 7:40PM, 8:00PM, 8:20PM, 8:40PM, 9:00PM, 9:20PM, 9:40PM, 10:00PM, 10:20PM, 10:40PM, 11:00PM, 11:20PM, 11:40, 12:00AM, 12:20AM, 12:40AM, 1:00AM, 1:20AM ET CLOSE¹⁰
- (2) STRIKE INTERVAL WIDTH – The interval width between each strike level shall be 20.
- (3) NUMBER OF STRIKE LEVELS LISTED - Nine (9) strike levels will be listed for each Intraday Japan 225 20-Minute Binary Contract Series.
- (4) STRIKE LEVELS GENERATED - Strike levels will be generated such that Binary Contract “Z” is valued ‘at-the-money’ in relation to the Underlying market as determined by the Source Agency, immediately before the issuance of these Contracts, and shall be measured in U.S. cents rounded to the nearest value ending in 1. Four (4) strike levels will be generated above Binary Contract Z at an interval of 20, and four (4) strike levels will be generated below Binary Contract Z at an interval of 20 (e.g. Z -20; Z; Z + 20). The Contract will have a Payout Criterion of greater than the strike level value.

~~(iv)~~(v) Nadex may list additional Japan 225 Binary Contracts with different ranges of Payout Criteria on a discretionary basis in accordance with the CEA and Commission Regulations.

(g) MINIMUM TICK – The Minimum Tick size for the Japan 225 Binary Contracts shall be \$0.25.

(h) REPORTING LEVEL – The Reporting Level for the Japan 225 Binary Contracts shall be 1,750 Contracts.

(i) POSITION LIMIT – The Position Limits for the Japan 225 Binary Contracts shall be 2,500 Contracts.

(j) LAST TRADING DATE – The Last Trading Date in a Series is the same date as the Expiration Date.

(k) SETTLEMENT DATE – The Settlement Date in a Series is the same date as the Expiration Date.

(l) EXPIRATION DATE – The Expiration Date of the Contract will be the date on which the Japan 225 Expiration Value is released by the Source Agency.

¹⁰ During the period when the US observes daylight savings time, Intraday Japan 225 Binary Contracts will open and close 1 hour later than their regular defined times.

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(m) SETTLEMENT VALUE – The Settlement Value is the amount paid to the holder of the in-the-money Contract on the Settlement Date. The Settlement Value of an in-the-money Japan 225 Binary Contract is \$100.

(n) EXPIRATION VALUE – The Expiration Value is the price or value of Japan 225 released by the Source Agency on the Expiration Date. The Expiration Value is calculated by the Source Agency by taking the last twenty-five (25) NKFC trade prices just prior to the close of trading of the Japan 225 Binary Contract and removing the highest five (5) NKFC trade prices and the lowest five (5) NKFC trade prices, using the remaining fifteen (15) NKFC trade prices to calculate the Expiration Value. The calculation used is a simple average of all fifteen (15) remaining NKFC trade prices, rounded to one decimal point past the precision of the underlying market.

(o) CONTINGENCIES – If no daily settlement price of the relevant NKFC is announced by the Source Agency, the Settlement Date will be delayed until such daily settlement price for that Series is released and publicly available.

RULES 12.56 – 12.78 [UNCHANGED]

[End Rulebook]

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